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SECRET
SHANGHAI MUNICIPAL POLICE.

File No.

S.2 Special Branch
REPORT

Date **February 6, 1940.**

Subject **Reported change of attitude of Tu Yueh Sung.**

Made by. and Forwarded by **Supt. Tan Shao Liang**

So far as my enquiries go, there is no indication that Tu Yuen Sung, a prominent leader of the Frenchtown fraternity, has changed or is going to change his pro-Chungking attitude and return to Shanghai. His sworn brothers, Hwang Ching Yung, Chang Siao Ling and Yue Yih Feng (俞叶封) (recently murdered), however, are reported to have shown sympathy to the Reformed Government.

Tu has a large following in Shanghai. These have split into two parties, pro-Chungking and pro-Japanese. Most of the former have left for Hongkong or Chungking including Chu Hsueh Van (朱雪范), labour leader and Loh Ching Sz (陆荣士), whilst Hsu Yeh Fu (许也夫) was murdered. Noted amongst the pro-Japanese clique are C.C.Keng (耿嘉基), Zia Pau Sung (谢葆生), Van Yung Chun (范永椿) (Land Office, City Government), Kau Shing Pau (高金保), Manager of Lido Cabaret, is another follower of Tu's who is said to have changed his attitude since his arrest and release by the Japanese, but this is not regarded as important.

Comm.
Sir:
I:

Qu. York
D.C. (Sp. Br.)



Tan Shao Liang
Superintendent.

A. C. (Special Branch)

FILE

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February 4, 1940

Warren's Translation

MAINICHI

GREEN PANG MOVES TO DESTROY ANTI-JAPANESE
TERRORISTS

It is reported that over ten important members of the Green Pang, which is under the control of Tu Yueh Sen, have secretly arrived in Shanghai with a view to re-organizing the Pang and destroying the social system formed by the National Government. They have already commenced their activities towards this end and are advocating a peace national salvation movement. It is also reported that they have requested Tu Yueh Sen to return to Shanghai. They will commence the following activities:- (1) Prevention of anti-Japanese terrorist activities, (2) Relief of refugees, (3) Removal from the Foreign Settlements of Chungking Government adherents and other undesirable persons engaged in anti-Japanese and anti-British activities.



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Has H. L. T. changed or is there any indication of a change?

R. L. f. 6/

Memorandum on Mr. Tu Yuch-sung alias Tu Yuin

Mr. Tu Yuin (杜錦), who is generally known by his courtesy name Tu Yuch-sung (杜月笙), was born in 1887 at Kiaschae, Pootung. The son of a very poor family, he received little or no education and began his career at the age of 18 by working as an apprentice in the Dah Yeu (大有) Fruit Hong, Tih Mao Lang, Li Mah Lee, Nantao. During his apprenticeship he associated with loafers and frequently gambled, but due to the influence he had acquired in the loafer class he managed to escape dismissal. Three years later, his apprenticeship over, he was promoted shop-assistant and remained in this position for two years, when, having misappropriated his employers' money, he was dismissed.

After leaving the Dah Yeu Fruit Hong at the age of 23, he led the life of a loafer in Nantao and subsisted on proceeds derived from opium-dealing, robbery and extortion. At that time he was known as "S Kee Yuch-sung" (水葉月笙) (Fruit Yuch-sung), and his associates were "Seong Kiang Lau Dee" (松江老大), "Jang Dan" ("robber") Feh Zien" (強盜福泉), "Van Deong" ("rice-bucket") Ah San" (飯桶阿三), "Yeong Pau Zung" (楊寶成) and other notorious loafers in the district. Through the introduction of the first named, Tu became the follower of Zung Su-chong (陳世昌) alias Ah Kew Feh Sung (阿狗福生) alias Tau Tsien Ts Feh Sung (套鐵子福生) who belonged to the "Teeng" (通) class of the Green Paung. Tu lived in the Tien Sung Lodging House, owned by Mr. Tawi Siam-keu (朱小豹), at Sing Ka (新街), Nantao Bund. He was always in a pecuniary state and spent most of his ill-gotten gains in gambling. Four years later his fortunes began to improve.

On the advice of a fortune teller named Pan (潘), Tu removed to the home of "Van Deong Ah San," at No. 12 Sing

Ka, Nantao Bund. (Ah San is now aged over 60 and is still living in Nantao). After remaining there for a year, he, through the introduction of Ah San, became an agent of Hwang Ching-yung (黃金榮) who was then a detective in the French Police. His diligence and perspicacity won the appreciation of Hwang whose paramour, Kwei Sung (桂生), ex-brothel-keeper from Soochow, often praised him.

When Tu was 30 years of age, through the introduction of Hwang, he became an assistant in an opium hong in Hongkew owned by a Cantonese; it was his duty to undertake protection of opium transportation. As he was capable and on friendly terms with the loafer class, he enjoyed the confidence of the manager who soon entrusted him with all the affairs of the opium hong. About a year later, at 31 years of age, through the introduction of Hwang Ching-yung, he obtained employment as manager of a large opium hong on Rue du Consulat in the French Concession. He was well off financially and made friends of notorious loafers and junior military and police officers. At the same time he began to "recieve" followers.

When he was 32 years of age, he established the Mei Tsung Hwa Kyi (美珍華記) Jewellery Shop, Rue du Consulat, the manager of which Li Ying-sung (李應生) was one of his followers. This shop was used for meetings between Tu and junior officers of the Chinese police and the smuggling prevention squads. At the age of 35 he became increasingly rich and notorious. He then had friends in the French Consulate, the Court, and the French Police.

Apart from smuggling opium, Tu established a concern known as the "Black Stuff Company" which received fees ranging from \$3,000 to \$10,000 per month from every opium hong in the French Concession, in return for which permission

was granted to sell opium openly and without interference. The "Black Stuff Company" in turn paid \$180,000 per month to the French authorities. This venture raised Tu's prestige to a great extent, with the result that loafers in various districts and detectives of various police stations applied to be followers of Tu.

Shortly after Tu established an "opium pipe company" to deal with opium smoking dens in the French Concession. For each pipe in a den the company collected 30 cents per day. The collection was made in the afternoon, and after payment, the officers of the company affixed a seal on the den's account book. If a den reported the number of pipes to be less than the actual number, the company would impose a fine of \$50 for each pipe that was not mentioned, and if a den failed to report its existence to the company but conducted business secretly, the company would arrange for the French Police to raid and to deal with the den according to law. The French Police would not punish the proprietors of dens whose account books had received the seal of the "Opium Pipe Company." The Company's income amounted to about \$100,000 per month and all opium smoking dens South of Avenue Edward VII and West of Mohawk Road paid contributions and were permitted to conduct business openly. Tu, together with Hwang Ching-yung and Chang Siao-ling (張少林), amassed considerable wealths and numbered among their associates and followers, officials, detectives, conductors of gambling dens, shopkeepers, lawyers, armed robbers and kidnapers. It was reported that mediation in kidnapping cases proved very lucrative and Tu in company with his French Town gang was believed to have received 50% of the ransom paid in all cases.

His relations with the Kuomintang were first established in about 1924, when important members of the Party, which was considered to be an secret organ in Shanghai, requested him to afford protection. Tu agreed to this request and several members of the Party took up residence in the French Concession. Consequently, Tu has been on friendly terms with the veteran members of the Kuomintang, including Dr. Chu Min-syi, General Yang Hu, Messrs. Chao Lih-ta and Chen Li-fu.

In April, 1927, when the Nationalist Government began its anti-Communist campaign, Mr. Tu Yach-sung together with two other influential young leaders in the French Concession offered assistance to the National Government in purging Shanghai of the communist elements in local labour organizations. This assistance was accepted, and Tu and his associates assembled some 2,000 of their adherents who, following upon heels of the 26th Army, then in Shanghai, attacked various unions in Chinese controlled territory. The successful result of the campaign, in which Mr. Tu claimed a lion's share, strengthened his influence with the Nationalist Army.

About a year later, he enlisted the assistance of certain Cantonese and opened four gambling houses in the French Concession. Each gambling house contributed daily \$2,500 to be paid as bribes to the authorities. The bribing was carried out in a tactful manner by Tu himself and consequently the Chinese and senior foreign members of the staff of the French Police and French Consulate were anxious to ingratiate themselves with him, with the result that his influence in the French Concession increased greatly. At each gambling house, there were protectors who prevented loafers from other districts from causing

trouble. These protectors were all under the control of Mr. Tu Yueh-sung. It was alleged that they were in possession of pistols, and conducted illegal activities in the Concession such as extortion, armed robbery, kidnapping, etc.

1930 and 1931 were the most flourishing years of Mr. Tu Yueh-sung's reign in the French Concession, he was frequently requested by rich people in the Concession to settle disputes arising over the division of inherited property, divorce, etc. From cases such as these he considerably enriched himself. During 1932 the French authorities banned the functioning of gambling and opium houses in their Concession. The owners of the houses affected deposited their capital to the amount of \$4,000,000, with Mr. Tu and requested him to negotiate for the cancellation of the order. Realizing that the order, issued in compliance with the decision of the French Government, could not be cancelled, he constructed the Chung Wei Building and opened the Chung Wei Bank, using the capital of the gambling and opium house owners. The owners fearing his power, raised no objection. Their money was later refunded to them in five yearly installments. Since then he has endeavoured by every means to make friends with Government officials.

In July of the same year, 1932, a scheme to introduce the public sale of opium in the province of Kiangsu was introduced by the Ministry of Finance, and the Kiangsu Provincial Government was authorized to conduct the public sale of opium on September 1. Mr. Tu Yueh-sung negotiated with the Kiangsu Provincial Government and succeeded in obtaining the opium monopoly in Shanghai. In pursuance of the scheme, he established the San Shing Company (三盛公司) in Kintao, which acted as the main organ for the supply of opium to retailers. The Company, it was alleged, disbursed

monthly a total of about \$200,000 to the local Chinese authorities and other organs. Realizing that armed protection was necessary for the transportation of opium, he succeeded in nominating General Yang Hu as commander of the Shanghai Peace Preservation Corps. A "Special Service Department" was then formed by the Corps; this department took over the work of the San Shing Company, which was "wound up." The Special Service Department was, however, annexed and incorporated into the Bureau of Public Safety in the middle of December, 1932, by the order of Mayor Wu Te-shen.

In 1933, a large quantity of morphia was seized and confiscated by the Chinese authorities at Hankow. As it was worth quite a large sum, General Chiang decided to have the morphia refined and sold for medical purposes. The sum thus raised was intended for the use of the Blue Shirt Society.

The task of establishing a factory for refining the morphia was entrusted to Mr. Tu Yueh-sung who was given six months to complete the task. A factory was then established in Nantao, and work was carried on under the protection of the Chinese authorities. Mr. Tu perceiving the chance of making a huge profit, secretly arranged with Mr. Chang Hsueh-shing, brother of General Chang Hsueh-liang, who was then Chief of Police at Tientsin, to transport to Shanghai a large quantity of morphia, and make use of the factory in Nantao to refine it instead of the morphia entrusted to him by General Chiang. It is reported that Mr. Wu Te-shen, then Mayor of Shanghai, was given \$10,000 every month to connive at this deception. On the expiration of the six months time limit, he applied to General Chiang for an extension of the period on the pretext that the product of the factory lacked demand on the market, and that as a

consequence the work of refining had been delayed.

The application was approved but in the middle of Autumn, General Chiang received information concerning Mr. Tu's intrigue. He at once arranged for secret investigations and discovered the truth. A company of Military Police was despatched from Nanking to Mantao and raided the Morphia Factory. On learning of the raid, Mr. Tu Yueh-sung arranged with Wen Chien-kong (溫建綱), Chief Adjutant attached to the Woosung-Shanghai Defence Commissioner's Headquarters, to issue written instructions, bearing the chop of General Wu Te-chen, for the withdrawal of the troops. The raid was however carried out without interference, and the written instructions were forwarded by the Military Police to General Chiang Kai-shek at Nanchang. Greatly enraged, General Chiang instructed General Wu to submit an explanation. The Mayor excused himself by stating that he had no knowledge of the morphia factory and that one of his chops which was usually kept by the Chief Adjutant for office use, had been used without his knowledge. Wen Chien-kong was subsequently escorted to Nanchang and was subsequently shot. It is not known how Mr. Tu wriggled out of his own share in the trouble.

During the same year, 1933, Mr. Tu Yueh-sung became a shareholder of the Nanyang Brothers Tobacco Factory, East Seward Road, when he was presented by the management of the company with 1,000 shares, to the value of \$15,000, as a reward for his efforts in settling a dispute existing between the management and their workers.

Following the assassination of Mr. Sz Liang-kai (史量才), then General Manager of the "Shun Pao," on November 13, 1934, near Hangchow, Mr. Tu Yueh-sung was appointed

Chairman of the Board of Directors of the "Shun Pao," "China Times," "China Evening News" and the "China Press," all of which were formerly under the control of Mr. Sz. The chairman of the Shanghai Citizens' Association, hitherto located at 1138 Bubbling Well Road, and at present in the Chung Wei Bank Building, 16 Rue de la Porte du Nord, left vacant by Mr. Sz Liang-zai, was succeeded by Mr. Tu. An allegation was current at that time that Mr. Tu was the prime instigator in the assassination, but it could not be confirmed. The assassination was however planned by the Blue Shirt Society, on the ground that Sz Liang-zai had refused the request of the Propaganda Department of the Central Kuomintang to place a representative of the local Tangpu as Chief Editor of the Sz Yeu Dai (自由談), an editorial page of the "Shun Pao."

Mr. Tu Yueh-sung was first elected a member of the Supervisory Committee of the Chinese Chamber of Commerce in June, 1934, through the efforts of Mr. Wong Shiao-lai (王曉籟), with whom he had become intimate during the previous two years. During the next election of the Chinese Chamber of Commerce in June, 1936, he was elected a member of the Executive Committee and later appointed member of the Standing Committee. He is still holds these positions.

In 1935, he was requested by Dr. H.H. Kung, Minister of Finance, to negotiate with the shareholders of the Bank of China and the Bank of Communications with a view to placing these banks under the control of the National Government. As the share holders were all on friendly terms with Mr. Tu, in whom they had much confidence, he was successful in his negotiations, and the banks were put under the control of the Government during October, 1935.

Prior to the opening of the Point Island Fish Market under the Ministry of Industry on May 11, 1936, the authorities realizing that the owners of the fish hongs at Marche de l'Est would oppose the decision of the market authorities requiring them to remove to the Market, requested the assistance of Mr. Tu Yush-sung, and as remuneration appointed him the Chairman of the Board of Directors of the Market. In these cases the Government owed their success greatly to the assistance of Mr. Tu, and as a result he gained much favour with the National Government officials.

Mr. Tu Yush-sung is willing to loose his purse strings in the settlement of labour disputes; for instance, the strike of the employees of the Shanghai Electric Construction Company in April, 1937, in which he contributed \$6,000 to the strikers to compensate them for the pay they lost during the period of the strike.

The following are some important cases of labour disputes that were settled by him in conjunction with the authorities:-

Strike of the employees of the Shanghai Power Company between September and November, 1933.

Strike of the employees of the French Tramway Company, July, 1932.

Strike of the employees of the Yee Tseong Factory, Pootung, between May and July, 1934, over the closing of the Old Factory.

His desire to settle labour disputes aims at winning the confidence of the public and especially the Government authorities.

On April 12, 1937, Mr. Tu Yush-sung was elected a member of the committee of the Chinese Ratepayers' Association of the International Settlement for the year 1937-8.

Mr. Tu Yush-sung's influence is further increased by the following facts:-

a) General Yang Hu, Woosung-Shanghai Garrison Commander, is a sworn brother of Tu Yueh-sung, Kwang Ching-yeong and Chang Siao-ling.

b) A number of Tu's followers now occupy governmental or semi-government posts among which the following are the most prominent:-

- 1) Loh Ching-da (陸榮廷), Committee member of the local Tangpu and Presiding Judge of the Soong Wu Military Court. He is also very influential in local labour circles.
- 2) Liu Yui-fang (劉雲芳), a staff member of the 4th Section of the Shanghai City Government Police Bureau.
- 3) Mr. Hsu (徐), an inspector in the employ of the Shanghai City Government Police Bureau.
- 4) An Tai-tung (安泰東), Officer-in-Charge of the Kiangwan Police Station of the Shanghai City Government Police Bureau.
- 5) Yao Kwang-hai (姚光海), Officer-in-Charge of the West Gate Branch of the Shanghai City Government Police Bureau.
- 6) Hsu Ya-fu (許也夫), Chief of the 3rd Section of the Bureau of Social Affairs.
- 7) Chu Hsueh-fan (朱學範), Chairman of the General Labour Union, and Chinese labour delegate to the International Labour Conference for 1936 and 1937.

c) His successful assistance to many persons in official circles in settling love affairs has also won for him much favour and influence. Among these officials, Mr. Sun Fo, President of the Legislative Yuan of the National Government, may be mentioned.

Mr. Tu at present holds the following positions:-

Member of the Standing Committee of the Chinese Chamber of Commerce, North Soochow Road.

Chairman of the Shanghai Citizens' Association, 16 Rue de la Porte du Nord.

Chairman of the Pootung Fellow Countrymen's Association, 1454 Avenue Edward VII.

President, the Chung Wei Bank, 16 Rue de la Porte du Nord.